GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:901
ANSWERED ON:17.08.2007
LOSS OF CHEQUES IN BANKS
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Will the Minister of FINANCE be pleased to state:

(a) whether incidents, of loss of cheques in Eianks have come toi[he notice of the Government;

(b) if so, the details of such cases noticed during each of the last three years bank-wise and the reasons therefor;

(c) whether any responsibility has been fixed in this regard and action taken against the erring officials during the above period;

(d) if so, the details thereof;

(e) whether there; k anv provision to compensate the customers whose cheque has been lost; and

(f) if so, the detai ls thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (d) : Reserve Bank of India has reported that the data base maintained by them does not generate information called for.

(e) & (f): On advise of RBI, Indian Banks` Association (IBA) vide: its circular dated May 06, 2005 has requested the member banks to incorporate the following in their cheque collection policy:

(i) In case of cheques lost in transit or in the clearing process or at the paying bank`s branch, the banks should imnnsdiatery bring the same to the notice of the accountholder so that the accountholder can irform the drawer to record stop payment and can also take care that any cheques issued by him are not dishonoured due to non-credit of the amount of lost cheques/instruments.

(ii) The onus of suet loss lies with the collecting banker not the accountholder.

(iii) The banks slioald reimburse the accountholder, related expenses for obtaining duplicate instruments and also pay reasonable interest for delays occurred in obtaining the same.

(iv) If the cheque/instrument has been lost at the paying bank`s! branch, the collecting banker should have a right to recover, the amount reimbursed to the customer for the loss of the cheque/instrument, from the paying banker.